

GAO

Report to the Chairman, Subcommittee  
on Department Operations, Oversight,  
Nutrition, and Forestry, Committee on  
Agriculture, House of Representatives

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February 2001

# USDA ELECTRONIC FILING

## Progress Made, But Central Leadership and Comprehensive Implementation Plan Needed



G A O

Accountability \* Integrity \* Reliability

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<b>Abstract</b> On June 20, 2000, the President signed the Freedom to E-File Act (P.L. 106-222), requiring the Department of Agriculture (USDA) to establish an electronic filing and retrieval system enabling farmers and other agricultural producers to access and file paperwork 1 electronically with the department. Provisions of the act set forth separate implementation requirements and deadlines for USDAs county-based agencies (CBA) the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Rural Development (RD) mission areas and for USDAs Risk Management Agency (RMA). At your request, we reviewed measures being taken by USDA to implement the act and briefed your office on the results of our work on November 15, 2000. The briefing slides are included in appendix I.		<b>Monitoring Agency Acronym</b>
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**United States General Accounting Office**  
**Washington, D.C. 20548**

February 28, 2001

The Honorable Bob Goodlatte  
Chairman, Subcommittee on Department Operations,  
Oversight, Nutrition, and Forestry  
Committee on Agriculture  
House of Representatives

Dear Mr. Chairman:

On June 20, 2000, the President signed the Freedom to E-File Act (P.L. 106-222), requiring the Department of Agriculture (USDA) to establish an electronic filing and retrieval system enabling farmers and other agricultural producers to access and file paperwork<sup>1</sup> electronically with the department. Provisions of the act set forth separate implementation requirements and deadlines for USDA's county-based agencies (CBA)—the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Rural Development (RD) mission areas—and for USDA's Risk Management Agency (RMA). At your request, we reviewed measures being taken by USDA to implement the act and briefed your office on the results of our work on November 15, 2000. The briefing slides are included in appendix I.

This report provides a high-level summary of the information presented at that briefing and includes the results of additional follow-up work we conducted at USDA through December 31, 2000. It also presents recommendations we are making to USDA to help ensure that e-file mandates are met.

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## Results in Brief

USDA has made progress and has partially met the act's initial deadlines. For example, USDA successfully deployed a common Internet Web site and gave farmers and agricultural producers Internet access to a total of 52 FSA and NRCS forms used to collect information needed to participate in agencies' agricultural programs. On the other hand, none of the 100-plus RD mission area forms that the department also planned to make available

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<sup>1</sup>Paperwork includes documents such as applications for farm loans and crop insurance.

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were included on the Web site by the December 18, 2000, deadline because of problems found by the Office of Management and Budget (OMB) in its review of these forms.

USDA faces formidable challenges in meeting the E-File Act's remaining deadlines of December 1, 2001, for RMA, and June 20, 2002, for the CBAs, to implement full electronic filing capabilities. Many complex tasks are involved in making this happen, such as reengineering programs and systems and ensuring all customer transactions and electronic records are properly and securely maintained. Several steps essential to the overall success of USDA's e-file initiative remain to be done. Specifically, USDA has not established and defined all major activities and milestones, dependencies among activities, and resources necessary to complete them. It also did not assign a senior-level official with overall responsibility and accountability for managing and implementing all the separate e-file activities.

To better ensure USDA's success with this important endeavor, we are recommending that USDA assign a senior-level official with overall responsibility and accountability for e-file activities, expedite work to obtain OMB approval of RD forms, develop and document a comprehensive e-file implementation plan covering both e-file and Government Paperwork Elimination Act (GPEA) requirements,<sup>2</sup> and hold the senior official accountable for executing the plan and providing periodic progress reports. USDA generally concurred with our report and provided additional information pertinent to our recommendations.

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## Background

USDA's CBAs provide services such as farm loans and conservation assistance along with rural and economic development help. Under the E-File Act, these agencies were required to establish an electronic filing and retrieval system enabling farmers and other agricultural producers to access departmental forms, such as farm loan applications, via the Internet by December 18, 2000.<sup>3</sup> Along with the December 18 deadline for

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<sup>2</sup>The Government Paperwork Elimination Act of 1998 (P.L. 105-277) requires that by 2003, federal agencies provide, where practicable, the option of submitting, maintaining, or disclosing information electronically.

<sup>3</sup>According to USDA, each form requires OMB approval before it can be used electronically. OMB approval of agency information collections, whether in paper or electronic form, is required by the Paperwork Reduction Act, P.L. 104-13, 44 U.S.C. 3501, et seq.

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establishing the forms-retrieval system, the Secretary of Agriculture was also to report to Congress by that date on progress made in implementing the act. The law further mandated that by June 20, 2002, agricultural producers be able to file paperwork electronically with USDA if they choose to do so.

RMA administers the federal crop insurance program, which helps protect producers against losses due to drought, flooding, and other unavoidable causes. By December 1, 2000, it was to submit to Congress a plan for enabling producers to obtain forms and information, such as crop insurance applications and production and yield reports, over the Internet. Implementation of the plan is to be completed by December 1, 2001.

In addition to addressing the mandates of the Freedom to E-File Act, USDA is—like other agencies—preparing to implement plans in accordance with the GPEA.

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## Departmental Actions to Address the E-File Act

To develop and implement USDA's e-file capabilities, on August 30, 2000, the Secretary of Agriculture issued a memorandum to the undersecretaries of the affected agencies and assigned them and mission area leaders with collective responsibility. The Secretary's memorandum also required that one shared plan be developed and implemented to meet E-File Act requirements. The Secretary gave the Office of Chief Information Officer (OCIO) the role of coordinating and facilitating e-file implementation planning and required that the plan be submitted to OCIO no later than September 30, 2000.

In response to the Secretary's directive, the undersecretaries transmitted a "Mission Area Report on Freedom to E-File Legislation" to OCIO on October 17, 2000. While providing general information, it lacked specifics on activities and milestones, dependencies among USDA activities, and needed resources. It also did not assign a senior-level official with overall accountability for managing and ensuring the implementing disparate e-file activities.

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## CBAs Actions to Address E-File Requirements

To address their e-file requirements, the CBAs had two separate interagency teams working together to meet the act's December 18, 2000, deadline—one consolidating and developing electronic forms and the other building a technical infrastructure for expanding Internet use. For example,

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the CBAs purchased an on-line common forms software tool for creating electronic forms, selected forms to post on the Web,<sup>4</sup> and designed and begun implementing a common Internet Web site. At the time of our November briefing, the CBAs still needed to obtain OMB approval for each electronic form, complete testing of the Web page, train county-based field staff in the new e-file procedures, publicize the department's e-file services, and notify the public on how to use them.

The CBAs progress in meeting the E-File Act's December 18 deadline was discussed in a report to Congress signed by the Secretary of Agriculture on December 22, 2000. Our review found that, by the December 18 deadline, the CBAs had successfully established a common Internet Web site, obtained OMB approval for 52 FSA and NRCS forms, and placed them on the Internet. However, none of the 100-plus RD forms that the CBAs expected to have deployed on the Web site by the deadline were available. According to USDA documentation, OMB had not approved these forms because some forms appeared to be for the department's internal use, did not have clear and user-friendly instructions, or did not include forms instructions that conformed to the format standard established by OMB and the agencies. As of December 31, 2000, RD had not resubmitted any of its forms for OMB review.

A marketing brochure, being developed by the CBAs to promote public awareness of the e-file effort, was still in production at the end of December 2000, and the CBAs had decided not to issue any press releases publicizing the new e-file Web site. In addition, because the CBAs decided that training needs for service center employees were minimal at this phase of the project, informational directives on the new program were provided to employees in lieu of giving them training.

Fully meeting all remaining e-file mandates to successfully establish effective and secure electronic filing capabilities by June 2002 poses far more complex and difficult tasks for USDA, such as reengineering business processes and establishing reliable and secure methods of transmitting and storing all electronic records. Moreover, since the E-File Act requires USDA to continue providing services through non electronic means as well, the department will also face increased workload demands supporting dual

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<sup>4</sup>According to USDA, these include FSA, NRCS, and RD forms that the department believes customers can complete on their own with assistance only from form-completion instructions.



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service delivery functions—one electronic and one paper-based. At the end of our review in December 2000, USDA did not have a detailed plan for how it would implement these actions and had not identified how much funding or what staff resources would be required to carry out them out.

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## RMA Actions to Address E-File Requirements

In response to the E-File Act, RMA began work on the required December 1, 2000, plan for allowing agricultural producers the option of obtaining, over the Internet from approved insurance providers, all forms and other information, and filing all paperwork required for participation electronically.<sup>5</sup> RMA's initial efforts focused on establishing and distributing guidelines and policies for crop insurance providers to follow in meeting their e-file responsibilities. By the time of our November briefing, RMA had issued its final e-file guidelines.<sup>6</sup>

RMA met the December 1, 2000, deadline for submitting a plan to Congress. This plan outlines the process the agency will use to ensure that insurance providers comply with the act's e-file requirements. Specifically, insurance providers must follow RMA's issued guidelines and submit a completed e-business plan to RMA for approval no later than April 1, 2001. RMA said it expects full implementation, as the act requires, by December 1, 2001.

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## Conclusions

USDA has made progress and has partially met initial E-File Act deadlines for providing agricultural producers with access to forms via the Internet and submitting required reports on initial e-file activities and plans to Congress. However, implementing full e-filing capabilities for all its farm service customers by the deadlines set by the act poses a far more complex and difficult challenge. A component critical to the success of any such initiative is the necessary authority and responsibility to manage it across different departmental entities, yet no single official has been so designated. Also, a comprehensive implementation plan—one that addresses both GPEA, the Freedom to E-File Act requirements, and OMB's

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<sup>5</sup>As noted, the E-File Act mandates that RMA and the Federal Crop Insurance Corporation, through approved insurance providers, enable agricultural producers to access all forms and other program information via the Internet and provide for the electronic filing of all required paperwork.

<sup>6</sup>RMA issued its final guidelines on November 1, 2000.

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implementation guidelines—is critical to help the department achieve a more consistent approach in its entire e-government transformation.

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## Recommendations for Executive Action

To ensure that USDA fully meets its E-File Act mandates, we recommend that the Secretary of Agriculture

- assign a senior-level official with overall responsibility, authority, and accountability for managing and carrying out implementation for both CBAs and RMA E-File Act requirements;
- direct the assigned official to work with RD and OMB to expedite resubmission and approval of all appropriate RD forms and ensure that these forms are made available over the Internet as soon as possible; and
- direct the assigned official, in cooperation with the undersecretaries for Farm and Foreign Agricultural Service, Natural Resources and Environment, and Rural Development, and the OCIO, to develop and document a comprehensive plan for implementing all E-File Act requirements.

In developing the department's comprehensive plan, we further recommend that the Secretary of Agriculture direct the assigned senior official to document and track all critical activities and milestones, dependencies among major activities, and resources needed to complete these efforts. In addition, the plan should clearly

- describe all project tasks, their priorities, and time frames and milestones for their completion;
- assign task responsibilities to staff and show critical dependencies among these tasks;
- identify required staff/budget resources for completing the plan; and
- document contingency actions planned to address unforeseen work delays or problems.

We also recommend that the Secretary direct the assigned senior official to include both e-file and GPEA requirements in the department's comprehensive plan to help better coordinate actions across USDA agencies and apply a consistent approach for addressing all mandated requirements and deadlines during USDA's e-file government transformation.

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Finally, we recommend that the Secretary hold the senior official accountable for carrying out the comprehensive plan and require that this official provide quarterly reports to the Secretary describing the results of USDA's efforts to implement each of these actions and all e-file requirements.

On November 8, 2000, we provided a copy of our briefing materials, which were used in preparing this report, to USDA's CIO, deputy CIO, and officials representing USDA's CBAs and RMA. These officials generally agreed with our briefing. They stated that providing more focused leadership and having a comprehensive implementation plan for the e-file effort would increase the department's overall chances of success with fully implementing the Freedom to E-File Act. In its December 22, 2000, progress report to Congress, and consistent with our recommendations, USDA said that it plans to begin an effort to develop comprehensive project plans for enhanced services that meet the 2-year requirements of the Freedom to E-File Act and GPEA in January 2001.

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## Agency Comments and Our Evaluation

On February 13, 2001, USDA's Acting CIO provided written comments on a draft of this report. USDA's comments are summarized below and reproduced in appendix II.

USDA said that it fully supports the spirit and intent, as well as the legal mandates, of the e-file act. USDA agreed that it had problems meeting the act's initial December 18, 2000, deadline for deploying electronic forms on the Internet and that significant challenges remain to fully implement the act. USDA also stated that successful implementation of the act will require continued funding, along with understanding and support of the USDA's programs or "owners" of the business being transformed.

USDA agreed with our recommendation for making RD forms available on the Internet as soon as possible. The department also agreed that comprehensive plans must be developed for implementing the Freedom to E-File Act and GPEA to help better coordinate across agencies and apply a consistent approach for addressing USDA's e-transformation. However, the department stopped short of describing the extent to which its comprehensive plan will include all the detailed steps we recommended or what the department's time frame is for completing it.

Moreover, it was unclear from USDA's response whether the department planned to implement our recommendation for assigning a senior-level

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official with overall e-file responsibility, authority, and accountability for managing and carrying out implementation of the E-File Act requirements. With respect to our last recommendation for providing the Secretary quarterly reports on implementation results, USDA stated that OCIO will continue to ensure that the Secretary is fully informed on the department's progress in meeting the E-File Act requirements. However, the department did not specify when and how progress will be reported to the Secretary nor did it describe how accountability for results will be ensured. We continue to believe that having a senior-level official vested with sufficient accountability and authority is important to the success of USDA's e-file implementation efforts.

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## Objective, Scope, and Methodology

As requested, our objective was to review measures being taken by the department to implement the provisions of the Freedom to E-File Act. In carrying out our work, we obtained and reviewed USDA and contractor documents and discussed actions planned or under way with department officials handling implementation of the act and assessed progress made. On November 15, 2000, we briefed your staff on the results of our review up to that point. Our work on the briefing was performed from August through October 2000. We performed follow-up work to update USDA's progress implementing the act through December 31, 2000. The results of all of our work are summarized in this report. We conducted our review at USDA headquarters in Washington, D.C., and at key agency offices involved in e-file activities in Fort Collins, Colorado, and Kansas City, Missouri. Our work was done in accordance with generally accepted government auditing standards.

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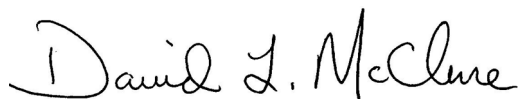
As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from its date. At that time, we will send copies to Representative Eva Clayton, Ranking Minority Member, Subcommittee on Department Operations, Oversight, Nutrition, and Forestry, House Committee on Agriculture; Senator Richard Lugar, Chairman, and Senator Tom Harkin, Ranking Member, Senate Committee on Agriculture, Nutrition, and Forestry; Representative Larry Combest, Chairman, and Representative Charles Stenholm, Ranking Minority Member, House Committee on Agriculture; Representative Tom Davis, Chairman, Representative Jo Ann Davis, Vice Chairwoman, and Representative Jim Turner, Ranking Minority Member, Subcommittee on Technology and Procurement Policy, House Committee on Government Reform; and Representative Stephen Horn, Chairman,

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Representative Ron Lewis, Vice Chairman, and Representative Janice Schakowski, Ranking Minority Member, Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, House Committee on Government Reform. We will also send copies to the Honorable Ann M. Veneman, Secretary of Agriculture; the Honorable Mitchell E. Daniels, Jr., Director, Office of Management and Budget; and other interested parties. Copies will also be made available to others upon request.

Should you have any questions on matters discussed in this report, please contact me at (202) 512-6257 or Stephen A. Schwartz, Senior Assistant Director, at (202) 512-6213. We can also be reached by e-mail at *mcclured@gao.gov* and *schwartzs@gao.gov*, respectively.

Sincerely yours,

A handwritten signature in black ink that reads "David L. McClure". The signature is written in a cursive, flowing style.

David L. McClure  
Director, Information Technology Management Issues

# Briefing on USDA Freedom to E-File



## USDA Freedom to E-File Act

Briefing to Staff  
Subcommittee on Department Operations,  
Oversight, Nutrition, and Forestry  
Committee on Agriculture  
House of Representatives



## Purpose

- Brief Requester on USDA's Efforts to Implement Electronic Filing
- Outline of Briefing
  - Background
  - Objective, Scope, and Methodology
  - Departmental Actions to Address E-File Requirements
  - County-Based Agencies Actions to Address E-File Requirements
  - Risk Management Agency Actions to Address E-File Requirements
  - Observations
  - Suggested Actions



## Background

### Freedom to E-File (P.L. 106-222, June 20, 2000)

- Requires the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Rural Development (RD) mission area--hereafter referred to collectively as County-based Agencies (CBAs), and the Risk Management Agency (RMA) to establish an electronic filing and retrieval system enabling farmers and others to file paperwork electronically.
- Provides separate requirements for the CBAs and RMA.





## Background (cont'd.)

### Major E-File Act provisions

#### CBAs\*

- Not later than December 18, 2000, the Secretary shall establish an Internet-based system enabling agricultural producers to access all forms and shall submit to Congress a report that describes the progress made.
- Not later than June 20, 2002, the system shall be expanded to enable producers to access and file all forms and, at the option of the Secretary, selected records and information.

\*CBAs provide services such as farm loans and conservation assistance and provide help with rural and economic development



## Background (cont'd.)

### Major E-File Act provisions

#### RMA\*

- Not later than December 1, 2000, RMA should submit to Congress a plan to allow agricultural producers the option of obtaining, over the Internet from approved insurance providers, all forms and other information and filing all paperwork required for participation electronically.
- Not later than December 1, 2001, RMA should complete implementation of the plan.

\*RMA administers the federal crop insurance program, under which insurance policies are sold and serviced by private companies to help protect agricultural producers against crop losses due to drought, flooding, and other unavoidable causes.



## Background (cont'd.)

- Government Paperwork Elimination Act of 1998 (GPEA, P.L. 105-277, October 28, 1998)\* requires that by 2003, federal agencies provide the public, where practicable, the option of submitting, maintaining, or disclosing information--such as employment records, tax forms, and loan applications--electronically, instead of on paper.
- On the basis of guidance issued by the Office of Management and Budget (OMB), agencies are preparing plans for implementing GPEA, including the use of electronic signatures.

\*P.L. No. 105-277, Div.C, tit XVII.



## Objective, Scope, and Methodology

### Objective

- To review measures being taken by USDA to implement provisions of the Freedom to E-File Act

### Scope and Methodology

- Obtained and reviewed USDA documents, including internal memorandums, budget submissions, plans, and contractor documents
- Discussed actions planned or under way with USDA officials handling implementation of the act
- Performed our work at USDA headquarters in Washington, D.C. and at key agency offices doing e-file activities in Fort Collins, Colorado, and Kansas City, Missouri, from August through October 2000, in accordance with generally accepted government auditing standards



## Departmental Actions to Address E-File Requirements

- On August 30, 2000, 2 months after enactment of the Freedom to E-File Act, the Secretary issued a memorandum to the undersecretaries for the affected agencies, requiring that
  - one shared plan be developed and implemented to meet E-File Act requirements and
  - the plan be submitted to Office of Chief Information Officer (OCIO) no later than September 30, 2000.
- Consistent with USDA's current organizational structure, the Secretary assigned the undersecretaries and mission area leaders with collective responsibility for developing and implementing e-file activities and gave OCIO the role of coordinating/facilitating e-file implementation planning.



## Departmental Actions to Address E-File Requirements (cont'd.)

- In response to the Secretary's memorandum, the undersecretaries approved and transmitted the "Mission Area Report on Freedom to E-File Legislation" to the CIO on October 17, 2000.
- The report, which included two separate sections covering the CBAs and RMA, provides general information on USDA activities to address e-file requirements.
- But it did not
  - establish and define all major activities and milestones, dependencies among activities, and resources necessary to complete them or
  - assign a senior-level official with overall responsibility and accountability for managing and implementing all the separate e-file activities.



## CBA's Actions to Address E-File Requirements

- CBA's activities have mainly focused on meeting the December 18, 2000, deadline for hosting electronic forms on the Internet and include two separate interagency teams working together on e-file activities:
  - one team consolidating and developing electronic forms and
  - one team building a technical infrastructure for expanding Internet use



## CBA's Actions to Address E-File Requirements (cont'd.)

- Specifically, as of October 31, 2000, CBAs had
  - purchased an on-line common forms software tool for creating electronic forms,
  - selected a total of 219 forms (57 from FSA, 6 from NRCS, and 156 from RD) to post on the Web (USDA believes customers can complete these on their own with assistance only from form completion instructions),
  - coordinated with OMB to develop a user-friendly format and are working to obtain OMB approval for each new electronic form, and
  - designed and is implementing a common Internet Web site that can utilize a single Internet address to provide user access with common search and retrieval functions for all available forms.

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## CBA's Actions to Address E-File Requirements (cont'd.)

- However, USDA officials told us that considerable work remains to be done to meet the December 18 deadline. For example,
  - CBAs still need to obtain final OMB approval for each of the 219 forms,
  - contractor testing of the Web page design, which is not addressed in the October 17 report, was scheduled to be completed December 15, the last workday before the deadline, and
  - some key technical staff who were implementing web farm hardware, software, and security had other full-time duties and had no replacements should they be assigned elsewhere.



## CBA's Actions to Address E-File Requirements (cont'd.)

- In addition,
  - plans still needed to be established to train county-based field office staff in the new e-filing procedures and in providing customer assistance and
  - publicizing USDA's new e-file services and notifying the public on how to use them still needed to be done.
- USDA officials working on these activities believe that these tasks can be accomplished by the December 18 deadline.



## CBA's Actions to Address E-File Requirements (cont'd.)

- USDA officials said that providing the full electronic filing capabilities by the June 20, 2002, deadline is a significant undertaking that involves
  - establishing full e-government services across a broad range of USDA agencies' programs and
  - building in solutions that also address GPEA and OMB requirements.
- Among others, the tasks include
  - reengineering numerous existing programs and systems,
  - using multiple electronic submission processes to accommodate various categories of agency customers,
  - designing and investing in technology to securely connect service center agencies to customers and to USDA's national network,
  - developing software to move and utilize data collected from customers to appropriate serving locations, and
  - training employees in new roles, responsibilities, and technologies.



## CBA Actions to Address E-File Requirements (cont'd.)

- Adding further to the challenge is the need to accommodate workload increases.
  - E-File Act requires USDA to continue providing services in the traditional way to customers who choose not to use the Internet.
  - CBAs must therefore support dual service delivery functions--one electronic and one paper-based.
- Moreover, USDA officials told us the department had not yet identified how much funding and staff resources will be needed to fully implement the act.
  - The E-File Act provides that the Secretary is to reserve, from applicable accounts of the CBAs, not more than \$3 million for fiscal year 2001 and \$2 million for each subsequent fiscal year.
  - Decisions on use of these accounts and funding are still pending.



## CBA's Actions to Address E-File Requirements (cont'd.)

- According to USDA's October mission area report, detailed planning on how USDA will carry out the tasks needed to meet the June 20, 2002, deadline for implementing full electronic filing capabilities will not begin until January 2001.



## RMA Actions to Address E-File Requirements

- In response to the E-File Act, RMA is working on a December 1, 2000, plan for allowing agricultural producers the option of obtaining, over the Internet from approved insurance providers, all forms and other information and filing all paperwork required for participation electronically.
- RMA activities thus far have focused on establishing and distributing guidelines and policy for federal crop insurance providers to follow in meeting their E-File Act responsibilities; RMA
  - worked with the insurance providers to identify and communicate E-File Act requirements and
  - issued draft policy and detailed guidelines to insurance providers.\*

\*These were issued in final on November 1, 2000.



## RMA Actions to Address E-File Requirements (cont'd.)

- According to USDA's October mission area report, insurance providers must prepare an annual implementation plan that will be incorporated within the standard reinsurance agreement's plan of operations and will be used to assess e-file compliance. Plans
  - must be submitted to USDA, which will either approve or disapprove them within 60 days, by April 1 preceding the reinsurance year, and
  - describe how electronic access and filing of crop insurance forms will be handled and, as required by the act,
    - the location and type of data made available
    - where paperwork can be filed and
    - responsibilities of the applicable parties.
- RMA said it approved plans from two participating insurance providers on September 26, 2000, enabling them to market and service federal crop insurance programs over the Internet.



## Observations

- USDA has made progress beginning to implement the E-File Act, and the CBAs' and RMA's October 17 report, done in response to the Secretary's request for a shared e-file plan, generally discusses their actions.
- However, several steps essential to the overall success of USDA's e-file initiative remain to be done.
- Specifically, USDA has not assigned a senior-level official with overall responsibility, authority, and accountability for managing and implementing all the separate activities to ensure that critical tasks are completed on time and within budget and that all federal mandates are met.





## Observations (cont'd.)

- USDA has also not yet developed and documented a comprehensive e-file implementation plan. Having such a plan is important to
  - define the milestones for all major activities, dependencies and critical tasks among these activities, and resources required to complete them;
  - help identify priorities as to which activities must be completed first and where milestone and resource shifts may be made to ensure that the most critical activities are completed on time, within budget, and, more important, are successful; and
  - address OMB and GPEA requirements by coordinating actions across mission areas and applying a more consistent approach during USDA's e-government transformation.



## Suggested Actions

To ensure that USDA fully meets its E-File Act mandates, the Secretary of Agriculture should

- assign a senior-level official with overall responsibility, authority, and accountability for managing and carrying out implementation of all E-File Act requirements and
- direct that the assigned senior-level official, in cooperation with the undersecretaries for Farm and Foreign Agricultural Service, Natural Resources and Environment, and Rural Development, and the CIO, develop and document a comprehensive plan for implementing all E-File Act requirements.



## Suggested Actions (cont'd.)

At a minimum, the comprehensive plan should document and track all critical activities and milestones, dependencies among major activities, and resources needed to complete them. The plan also should clearly

- describe all project tasks, their priority, and time frames and milestones for their completion;
- assign task responsibilities to staff and show critical dependencies among these tasks;
- identify required staff/budget resources for completing the plan; and
- document contingency actions planned to address unforeseen work delays or problems.

In addition, the comprehensive plan should cover both e-file and GPEA requirements to help better coordinate actions across USDA agencies and apply a consistent approach for addressing all mandated requirements and deadlines during USDA's e-government transformation.



## Suggested Actions (cont'd.)

Finally, the Secretary should hold the senior official accountable for carrying out the plan and require that this official provide quarterly reports to the Secretary describing the results of USDA's efforts to implement each of these actions and all e-file requirements.

# Comments From the Department of Agriculture



**United States  
Department of  
Agriculture**

**Office of the Chief  
Information Officer**

1400 Independence  
Avenue SW

Washington, DC  
20250

FEB 13 2001

Dr. David L. McClure  
Director, Information Technology Management Issues  
United States General Accounting Office  
Washington, DC 20548

Dear Dr. McClure:

The Department of Agriculture (USDA) welcomes the opportunity to comment on General Accounting Office (GAO) Draft Report: "USDA Electronic Filing, Progress Made, But Central Leadership and Comprehensive Implementation Plan Needed." We believe our comments will help GAO more accurately reflect the current status of the efforts of USDA's county-based agencies--the Farm Service Agency, the Natural Resources Conservation Service, and the Rural Development mission area -- and the Risk Management Agency to implement the requirements of the Freedom to E-File Act.

If you need additional information regarding this matter, please contact Mr. Gregory L. Carnill, e-Business Executive, Office of the Chief Information Officer, at (202) 720-8935 or via e-mail at [greg.carnill@usda.gov](mailto:greg.carnill@usda.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Ira L. Hobbs".

Ira L. Hobbs  
Acting Chief Information Officer

Enclosure

CC: Steve Schwartz, GAO  
Joe Marchowsky, OIG  
Lynda Couvillion, OBPA  
Benjamin Young, OGC  
Gregory Carnill, OCIO  
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**GAO Draft Report: "USDA Electronic Filing, Progress Made, But Central Leadership and Comprehensive Implementation Plan Needed"**

**USDA COMMENTS:**

The United States Department of Agriculture (USDA) supports the spirit and intent, as well as the legal mandates, of the Freedom to E-File Act. The Act requires the Secretary of Agriculture to establish an electronic filing and retrieval system to enable farmers and other agricultural producers to access and file paperwork electronically. Prior to the President's signing the Act into law on June 20, 2000, the County Based Agencies (CBA) through the Service Center Modernization Initiative and the Risk Management Agency (RMA) were collaborating to develop a common technical infrastructure which would comply with the requirements of the Act. The success of this partnership is visible on the Internet at [www.sc.egov.usda.gov](http://www.sc.egov.usda.gov).

The draft report acknowledges that, "USDA has made progress and has partially met the act's initial deadlines." However, it criticizes the Department's inability to deploy all the forms originally planned by the December 18, 2000, target date. The report then acknowledges the complexity of the tasks ahead and provides recommendations to USDA to overcome these challenges.

Problems did occur which prevented all forms from being deployed on the web site by December 18, 2000. Significant progress has been made over the past weeks and current plans call for all forms to be submitted for OMB approval by February 28, 2001. Allowing for a quick turnaround by OMB all forms should be posted to the web site in the first week of March.

Significant challenges remain to fully implement the Freedom to E-File Act. The legislation requires that not later than 2 years after enactment, the system be expanded to enable producers to access and file all forms and selected records, and also to have electronic access to USDA farm related information already available to the public in paper form. In effect, Congress has simply accelerated the deadline for implementing the Government Paperwork Elimination Act (GPEA) for the CBA and RMA from October 21, 2003, to June 20, 2002. Not the least significant challenge facing USDA is how to fund completion of this e-business transformation. While the funds provided in FY 2001 will provide the building blocks, continued funding will be needed to assure timely completion of these requirements.

While information technology is making e-business possible, the successful implementation of the Act requires the understanding and support of the "owners" of the business being transformed. Each of the agencies has designated a key senior-level programmatic official responsible for implementing the Act. An interagency e-commerce team, led by Chris Niedermayer, FSA's Executive Sponsor, is ensuring coordinated planning and implementation. OCIO has the lead for the Department in ensuring that all of our agencies meet the requirements of both the Freedom to E-File Act and GPEA.

## RECOMMENDATIONS FOR EXECUTIVE ACTION

### Recommendation 1

**Assign a senior-level official with overall responsibility, authority, and accountability for managing and carrying out implementation for both CBAs and RMA e-file act requirements.**

**Response:**

In August 2000, USDA appointed an e-Business Executive to lead and coordinate USDA's GPEA and e-file initiatives. This individual reports directly to USDA's Chief Information Officer and is charged with developing a comprehensive plan that covers both e-file and GPEA. Senior program executives were appointed in each mission area and agency to lead Freedom to E-File and GPEA implementation, as required by the August 30, 2000, memorandum from the Secretary. These executives comprise USDA's e-Business Council.

### Recommendation 2

**Direct the assigned official to work with Rural Development (RD) and OMB to expedite resubmission and approval of all appropriate RD forms and ensure that these forms are made available over the Internet as soon as possible.**

**Response:**

OCIO is working with RD to ensure their forms comply with OMB's criteria when posting forms on the Internet. RD is taking prompt action to finalize all supporting help instructions and post the forms online.

No. of Forms	Status
54	Approved by OMB and posted on the Internet web site 02/01/01
26	Are being changed based on comments received during USDA's internal review process and will be submitted for review to OMB by February 14, 2001
58	Are being changed based on comments received during USDA's internal review process and will be submitted for review to OMB by February 28, 2001
6	Were withdrawn by RD's Program Staff
6	Are under review by RD's business program staff to determine whether they will be posted or withdrawn
12	Are on-line (8 are common and also used by the FSA)

**Recommendation 3**

**Direct the assigned official, in cooperation with the Under Secretaries for Farm and Foreign Agricultural Services, Natural Resources and Environment, and Rural Development, and the CIO, to develop and document a comprehensive plan for implementing all e-file requirements.**

**Response:**

USDA agrees comprehensive plans for implementing the Freedom to E-File Act and GPEA must be developed. As noted in the report, these plans will help USDA to better coordinate across agencies and apply a consistent approach for addressing USDA's e-transformation. In January, FSA, NRCS and RD provided OCIO an e-Commerce Strategy Development Framework as the first step toward a comprehensive plan which will include time frames, critical milestones, dependencies, risk assessment and resource requirements. This initial comprehensive plan for Freedom to E-File will provide a template for other agencies to develop comprehensive plans to meet requirements under GPEA.

**Recommendation 4**

**The Secretary hold the senior official accountable for carrying out the plan and require that this official provide quarterly reports to the Secretary describing the results of USDA's effort to implement each of these actions and all e-file requirements.**

**Response:**

OCIO will continue to ensure the Secretary is fully informed on the Department's progress in meeting the requirements of the Freedom to E-File Act.



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